LEGISLATIVE ALERT

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THE MAJORITY'S ENERGY BILL

ANOTHER UNFULFILLED PROMISE

(H.R. 3221)

The Democrats' latest energy bill fails to deliver the "Energy Independence Day" they have long promised. Instead, it ignores many domestic fuel resources that exist in abundance in the United States, and charts a path that may leave American consumers worse off. It also follows the Majority's typical course of increasing spending, raising taxes, and dodging their own pay-as-you-go [PAYGO] rule. Here are some details.

- ***Increases Spending in the Name of 'Energy Efficiency.'*** The introduced bill increases spending by nearly $3.6 billion over 5 years, and $5 billion over 10 years. Included are spending hikes for renewable energy investments, commercial and Federal building efficiencies, a permanent extension for energy savings performance contracts beyond 2016, and energy-related agriculture provisions. The farm provisions account for about $2.7 billion of the bill's 10-year spending increase.

- ***Recycles Energy Fees – Another PAYGO Gimmick.*** The bill is alleged to save nearly $8 billion over 10 years. But more than $6 billion worth of these "savings" include a range of energy fees *already used in last week's Farm Bill* – so the re-use of these fees is another end-run around the House PAYGO rule. In addition, some of the bill's oil and gas lease "savings" are legally questionable and – if challenged – could raise the cost of the bill.

- ***Increases the Cost of Domestic Fuel Production.*** The bill eliminates almost 20 percent of current Federal onshore natural gas production. Nearly 80 percent of homes in the U.S. rely on natural gas – which comes almost entirely from domestic production and trade with Canada and Mexico.

- ***Fails to Include Coal-to-Liquid as a Fuel Alternative.*** Although coal is one of the most abundant fuel resources in the United States, the bill fails to consider its use in solving the Nation's dependence on foreign oil.

- ***Denies Use of Oil Shale as Fuel Alternative***. Of the 2 trillion barrels of oil shale in the U.S., about 80 percent are on Federal lands. The bill alters current national policy promoting the private leasing on these lands to develop this resource, running the risk of sending investors overseas, and costing manufacturing jobs.

- ***Continues the Tax Raid***. The Majority's companion energy tax bill (H.R. 2776) includes $15 billion of energy tax increases over 10 years, imposed on the U.S. oil and gas industry – which will almost surely get passed on to consumers in the form of higher prices.

Authorized by . . . . Paul Ryan, Ranking Republican